

Minneapolis Planning Department

350 South Fifth Street, Room 210

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MEMORANDUM

DATE: October 30, 2003

TO: Council Member Gary Schiff, Chair, Zoning and Planning Committee
Zoning and Planning Committee members

FROM: Jim Voll - City Planning Department

SUBJECT: Appeal of the City Planning Commission's decision for property located at
1424-28 and 1448 (River Run) – BZZ-1270

Mike Rainville, for the St. Anthony West Neighborhood Organization, has filed an appeal of the City Planning Commission's approval of conditional use permits, a rezoning, and a site plan review for the River Run apartments, at its meeting of October 7, 2003. The property is located at 1424-28 and 1448 Marshall Street NE. The Commission voted 5 to 1 to approve the rezoning, 4 to 2 to approve the conditional use permit for 101 units, 5 to 1 to approve the conditional use permit for an increase in height, and 5 to 1 to approve the site plan review. The appeal was filed on October 17, 2003.

Minneapolis Planning Department

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MEMORANDUM

DATE: October 8, 2003

TO: Blake Graham, Planning Department
Phil Schliesman, Licenses
Clara Schmit-Gonzalez, Licenses

FROM: Neil Anderson, Planning Supervisor, Development Services

CC: Chuck Ballentine, Planning Director

SUBJECT: Planning Commission decisions of October 7, 2003

The following actions were taken by the Planning Commission on October 7, 2003. As you know, the Planning Commission's decisions on items other than rezonings, text amendments, vacations, 40 Acre studies and comprehensive plan amendments are final subject to a ten calendar day appeal period before permits can be issued:

14. River Run (BZZ-1270, Ward 3)

1424-28 and 1448 Marshall Street NE (Jim Voll) *This item was continued from the July 21, 2003 and September 22, 2003 meetings.*

A. Rezoning

Application by Sherman Associates for rezoning to add the Industrial Living Overlay District (ILOD) to the II District to property located at 1424 and 1448 Marshall Street NE:

Motion: The City Planning Commission recommended that the City Council adopt the findings and **approve** the rezoning application to add the Industrial Living Overlay District to property located at 1424-28 and 1448 Marshall Street NE.

A. Conditional Use Permit

Application by Sherman Associates for a conditional use permit to allow 101 residential units at the property located at 1424 and 1448 Marshall Street NE.

Motion: The City Planning Commission adopted the findings and **approved** the conditional use permit application for 101 units for property located at 1424-28 and 1448 Marshall Street NE subject to the approval of the rezoning, conditional

use permit for height, and site plan review.

C. Conditional Use Permit

Application by Sherman Associates for a conditional use permit at 1424 and 1448 Marshall Street NE to allow an increase in the maximum allowable height in the Mississippi River Critical Overlay District to 4 stories.

Motion: The City Planning Commission adopted the findings and **approved** the conditional use permit application to increase the height of the building from the maximum allowable height of 2.5 stories to 3 stories for property located at 1424-28 and 1448 Marshall Street NE subject to:

1. The approval of the rezoning, conditional use permit for units, and site plan review.
2. Subject to retention of open space on the riverfront side of the development as shown on the site plan.

D. Site Plan Review

Application by Sherman Associates for a site plan review at 1424 and 1448 Marshall Street NE

Motion: The City Planning Commission adopted the findings and **approved** the site plan review application for property located at 1424-28 and 1448 Marshall Street NE subject to the following conditions:

1. Approval of the rezoning and conditional use permits.
2. Staff review and approve the site plan, lighting plan, landscaping plan, and elevations before building permits may be issued. The location of all exterior mechanical equipment and screening of this equipment shall be shown on the plan. All site improvements shall be completed by September 30, 2004 (unless extended by the Zoning Administrator) or permits may be revoked for noncompliance.
3. If the estimated site improvement costs (landscaping) exceed \$2,000, the applicant shall submit a performance bond in the amount of 125% of the estimated site improvement costs before building permits may be issued.
4. Compliance with the standards of the MR Mississippi River Critical Area Overlay and SH Shorelands Overlay Districts.
5. The applicant shall work with Park Board staff and Planning staff to ensure the plant types in the landscaping plan meet the standards of the applicable overlay districts.
6. Additional landscape screening shall be provided along the north property line to screen the parking area to the residential use as required by code.
7. The monument sign shall be limited to a maximum of 32 square feet.
8. Those areas designated as stucco on the elevations shall not be replaced with EFIS at the final site plan stage.

9. The applicant will work with staff to make sure the building is as close as possible to the future right-of-way while still allowing room for an adequate setback.

**Excerpt from the
Tuesday, October 7, 2003
CITY PLANNING COMMISSION
MINUTES
317 City Hall
Minneapolis, MN 55415
4:30 p.m.**

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10. Approval of the rezoning and conditional use permits.
11. Staff review and approve the site plan, lighting plan, landscaping plan, and elevations before building permits may be issued. The location of all exterior mechanical equipment and screening of this equipment shall be shown on the plan. All site improvements shall be completed by September 30, 2004 (unless extended by the Zoning Administrator) or permits may be revoked for noncompliance.
12. If the estimated site improvement costs (landscaping) exceed \$2,000, the applicant shall submit a performance

bond in the amount of 125% of the estimated site improvement costs before building permits may be issued.

13. Compliance with the standards of the MR Mississippi River Critical Area Overlay and SH Shorelands Overlay Districts.
14. The applicant shall work with Park Board staff and Planning staff to ensure the plant types in the landscaping plan meet the standards of the applicable overlay districts.
15. Additional landscape screening shall be provided along the north property line to screen the parking area to the residential use as required by code.
16. The monument sign shall be limited to a maximum of 32 square feet.
17. Those areas designated as stucco on the elevations shall not be replaced with EFIS at the final site plan stage.
18. The applicant will work with staff to make sure the building is as close as possible to the future right-of-way while still allowing room for an adequate setback.

Staff Jim Voll: This is a proposal for a 3 and 4 story, 101 unit, residential building. If we look at the location, the address is 1424 and 1428 and 1448 Marshall Street Northeast. The site is the area that is shaded. There are a couple of industrial buildings and a house there, to the south is a commercial building that's the Harmony Scenic building which is a video production building. There's a trucking business to the north, and a house to the north, and then across the street you have properties zoned R-3 and R-5 and they are a mixture of residential apartment buildings and houses and commercial use that's nonconforming. There are three applications that are requested for this project to move forward: One is a rezoning to add the industrial living overlay district; the second is a conditional use permit, well actually there are four, the second and third are conditional use permits and site plan review to allow 5 units or more. And the third is a CUP to allow an increase in height in the Mississippi River overlay from 2 ½ stories to 3 stories. There is quite a bit of correspondence from the neighborhoods and the developer and so forth, and one of the things people are saying is the site is only zoned for five uses, but I want to clarify that is not true. The site right now is zoned for no residential use-it's zoned industrial, so it's not zoned for any residential use, but if you were to add the ILOD, then it would allow a density that would accommodate this size building. If you went to other zoning districts, it would allow different densities, different numbers of units depending on the lower intensity residential, the higher intensity residential, lower intensity commercial to higher intensity. But in the City of Minneapolis, any residential building of 5 units or more requires a conditional use permit and site plan review. The staff report is pretty lengthy, and I know it's getting long, so I'm not going to get into repeating everything that's in the staff report, but staff recommended approval of all of those applications. I'm just going to go through a few quick things so people can have an opportunity to speak tonight. If you look at the site plan, the area outlined in blue is the building and they have parking underground, access from around the back of the building and I know some of the concerns that were raised was that there's not enough parking on the site. If that is a concern of the Planning Commission, I do believe they could get a 26 or so space parking lot in this interior area here somewhere and still preserve quite a bit of green space, but I really didn't want to get into redesigning the site since there are so many competing views as to what should be going on. Some people would like there to be more green space because it's close to the river, others would there to be more parking, so I'm just raising...

Commission President Martin: Tell us whether or not it meets the code requirement for parking.

Staff Jim Voll: It does meet the code requirement for parking. There's one required for each dwelling unit and I believe they have 101 underground and then they have 20 surface spaces. Some of the things that we required on the site plan part of the staff report is that there be screening provided along this north five feet because there is a residential structure there, even though it is zoned industrial, it is a home. There is a freestanding sign proposed there and in the industrial district it could be as big as what they're proposing, but in all the residential districts it would be a maximum of 32 square feet, so I recommended that be limited to 32 square feet to be consistent with other residential districts. The building is set back quite a bit from Marshall Street, but that was done because there are plans to widen Marshall Street and so they put the building where it would be if the Marshall widening was done.

President Martin: So they wouldn't have to knock the building down if the street is expanded?

Staff Jim Voll: Yes. But if the street wasn't expanded, the building will be setting back quite a distance. To go on to the elevations, the materials are compatible on all four sides which is the standard that we look at and they're proposing concrete masonry units around the base of the building and the remainder would be stucco and then this, if you look at the south elevation, which would be similar to the north elevation, this is the part of the building that is in the Mississippi River overlay, well actually, the whole building is in the Mississippi River overlay, but that's the portion of the building that is within 300 feet of the river as evidenced by that red line. In the industrial district, a building can be four stories or 56 feet, but no matter what you zone the property, if it's within 300 feet of the river, it can't exceed the 2 ½ stories, or 35 feet. A half-story has to be under a gable roof, so this is not—it's a flat roof, so it's obviously a third story, so it exceeds the 2 ½ stories, but the building actually is for the most part, under the 35 feet as measured from the grade on Marshall Street, so it does stay under 35 feet, but it is a 3-story building, so it still needs the CUP for height. Then, there is quite a bit of commentary from several groups and I am sure there are people here to represent themselves, so I'm not going to try to paraphrase what they have to say, but I did get commentary from the Park Board, DNR and the Department of the Interior, and their commentary was mainly that they would like to see the height of the building meet the 35 foot height limit and that they would like to see the planting types and so forth be native and compatible with the area, so I have put a condition on the report that the Park Board staff has said they are willing to look at the landscaping plan to guaranty that so that we would just make sure that those plant types are in conformance with what they would like to see. And then the Above the Falls Committee, the SNO neighborhood, the Bottineau neighborhood, and the St. Anthony West neighborhood all have letters in the report stating opposition to the plan. I want to clarify my staff report: When I first received the Sheridan Neighborhood group letter, there was a letter in opposition, but in their letter they said there was a 10-10 vote, so for me that was a little confusing as to what the neighborhood's opinion was. But I think we've received some subsequent letters from the neighborhood group today that should be in your packet that explain the background for why they wrote a letter even though they had that vote, and how they felt about that vote, and if there's somebody here from the neighborhood, I would let them explain that, but I want to revise my comments on the staff report. Also, as something you may know, this project is also going through on the former MCDA side, going through the financing procedure.

President Martin: What are you calling that part of the department?

Staff Jim Voll: I guess we call it the Housing part of CPED.

I don't think we really consider that stuff here. I think it's relevant for your making your decision, but we don't make a decision based on that, but if you do have questions, Jerry LePage is here to answer some of those questions, and I will be happy to answer any questions you have.

President Martin: Do the Commissioners have any questions for Mr. Voll? No? Thanks Jim. This is a public hearing, are there folks who wish to speak to item number 14? Please come forward.

Jim Bartlett: Commissioner Martin, Commissioners, my name is Jim Bartlett, I own the property in question at 1428 through 1448 Marshall Street Northeast. As usual, Mr. Voll and all the staff have done a very thorough and comprehensive report, I really don't have much, if anything, to add to it. Just one brief comment: I think AFCAC and some other groups have said things that talk about referring to the Above the Falls Plan and I just wanted to clarify my understanding that Above the Falls was a plan that was adopted by the City in 2000 as a visionary plan and it has not been adopted verbatim, but has been added to the City's Comprehensive Plan, the Minneapolis Plan and identifies it as a study area and therefore in ATF informs the Comprehensive Plan, so the Comprehensive Plan is what really needs to be looked at. And so, issues, talking about financing and public financing on all these things, I don't think are relative to these deliberations.

Jenny Fortman: Madame Chair and members of the Committee, I am Jenny Fortman and I'm here to speak on behalf of Sheridan Neighborhood Organization. There was mention of the 10-10 vote?

President Martin: We have your letter.

Jenny Fortman: I hope everybody has had a chance to read it, and Tom Taylor is going to speak in regard to that 10-10. I just want to briefly go over some of the items related to the zoning and planning that are reflected in that letter and have been discussed among the neighborhood. A tremendous amount of community participation and effort has gone into this from a broad range of volunteers in the neighborhood and I believe it started in February or March, a task force was put together to work with the developer, to try to create an agreement that worked for everyone. It

was in July that we came together as a community and realized that there was no agreement happening and so we wrote a letter to formally state our opposition to the project. As you as a committee and we as a community sort of have a similar mandate, and that is to try to create a better Minneapolis and it is the opinion of the Sheridan neighborhood that this plan does not do a good job of that. This River Run project. And to us it's a bad example of urban planning for several reasons. The issue of density and the fact that it hasn't been well considered the negative impact that it will have in the community in terms of heavy amount of rental in an already high rental community and one that already has a lot of vacancy as well as the way the density will impact the traffic on an already dangerous street, the fact that there are many, many parking issues related to this that are completely unresolved, and the fact that the current infrastructure of the area doesn't support this level of density at that site. It's a bad example of urban planning and in terms of zoning, from our perspective, to take away commercial zoning and change it to residential without contributing at least some mixed use, so that we can maintain a healthy balance for a healthy city for having some options for employment and that sort of thing...

President Martin: The request here is not to rezone to residential, it maintains the underlying industrial zoning. Just so you know, they are not requesting a residential zoning.

Jenny Fortman: But they're not including a mixed-use in the project and that also contributes to a disconnect with the community as it doesn't offer any interaction between the new residents and existing community. It's also a bad example of urban planning in terms of its design. We consider it to be a poor design, it doesn't appear to be site specific, it doesn't embrace the river or the community. It's a very suburban looking building, it's very similar to that at Bottineau Commons and many of these issues that we're concerned about we've seen happen right there--there's a tremendous similarity between the two. And what makes it worse about putting a big boxy suburban-looking building at that site is as you drive north on Marshall, there's a lot of visual impact on that site, there's a slight curve in the road there. Apart from that, it's one of the first things that's going to happen on the Northeast Side in terms of the Above the Falls Master Plan and it is the hope of the community that something happen in this site and we look forward to something happening in this site, but we need it to be something that encourages the kind of development we want to continue to see along the river and that it is good for the community now and into the future and it's for those reasons that we are opposed to the zoning.

Tom Taylor: Madame Chair, and members of the Commission, my name is Tom Taylor and I live in the Sheridan neighborhood and I'm here to speak just on the behalf of myself and being a neighbor. One of the things that was not pointed out by Mr. Voll is the Holland neighborhood has also come out in opposition to this and I'm not sure if the Planning Commission got that letter or not, but I know that the City Council did before the Community Development Committee. One thing that people are making a lot of hay of is that at our last neighborhood meeting, there was what we call a straw vote, where we ask people in the room: "What do you think about the changes to the development?". There was a preceding fact we thought that this was going to be a, we had heard, a done deal and so it was a lot like, "Do you want to be killed, or do just want to have both legs cut off?". I'm a member of the Green Party of Minnesota, one thing when votes are always taken is there should always be a "none of the above". I take a lot of responsibility not making sure that was on the table. There had been votes that had been rescinded, some people did not vote at all, so I think that vote was extremely flawed because it was not a done deal. When I came down to the City Council chambers the next week, I found out that there were some big questions about it. The Above the Falls Plan is a visionary plan and I hope that the City can be visionary and make sure that what goes here on the river is something that is appropriate for the river and not something that we're going to look back on 30, 40 years from now and say that wasn't quite the right thing to put on there. Thanks.

Michael Rainville: Madame Chair, my name is Michael Rainville and I'm here to represent the St. Anthony West neighborhood as well as to stand shoulder to shoulder with my neighbors in Sheridan and Holland and Bottineau and the Above the Falls Citizens Advisory Committee, of which I am a member and have participated in the discussions this summer. And I want you to understand some of the background reasons we don't like it. Can you see that? That's a map from the United States Census that shows the percentage of rental property in the neighborhood. We're experiencing only 45% home ownership there, the Minnesota average is 74%, and the national average is 76%. In all of our NRP plans, we've been trying to raise the home ownership rate, affordable home ownership, and we've been very successful, a couple of percent every year. We are a community that has a large portion of poverty. Again, according to the Census information, Sheridan in 1990 was 25% poverty. My neighborhood in St. Anthony West, was 22%. We're struggling, and this is why we're trying to boost our ownership opportunities. This developer has also put in a project on University Avenue which we feel is very mismanaged, in fact, just about a month ago there was a gunfight, a balcony to balcony gunfight. Council Member Schiff, you know what gunfights will do to a neighborhood, it's not a good thing. So we're very apprehensive about the ability to manage these projects. Lastly, I want to throw another visual up here and Judith, you probably remember on paper you did as a young student, sometimes communities and cities are known for what they don't build, and back then, your

predecessors struggled with building a freeway through our community. They struggled with building high rise units, dense units, and opted for single family use, and that's why Northeast is alive today, that's why it survived the urban ills that other areas of this communities haven't. In conclusion, I am asking you—you have the staff recommendation, you have the developer who is beating the heck out of us here in the neighborhoods, we're volunteers, we're here tonight of our own accord...Stand with us. Let's not have development in this city through intimidation, through threatened law suits, through accusations of us being racist and classist, that's not the way to go forward and build. Please vote this down and let's go back to the drawing board. The market itself will drive the value of this land, you don't need to keep subsidizing the upper river, let's go forward together.

President Martin: Others who wish to speak to item 14? Ok, I am going to close the public hearing. Let's do these in order. We have the rezoning, a couple of conditional use permits and a site plan, so let's do the rezoning first.

Commissioner LaShomb: I'll move staff recommendation and see what happens.

Commissioner Young: I have several comments on this. I want to start by thanking the public and the neighbors. The blessing of e-mail and computers is really risen it's ugly head on this one. I have stacks of e-mails and phone calls from the neighborhood, so they have communicated, there is absolutely no doubt about that. And I want to remind people that I've had the pleasure of serving this city for many years because of my commitment to neighborhoods and citizen neighborhood groups. But I need to remind people that these neighborhood boards really are advisory, as is the Above the Falls report, and that at some point, although I love and bless and want their input, by the time someone reaches sitting as a Planning Commissioner, then all of a sudden there's a different venue of how you think about things and the legally supporting procedures that take place. So I feel that even though my heart and soul is a lot with the neighborhood on one side, on the other side I'm having to think a lot about the legalities as a Planning Commissioner. But in light of that, the other thing is that one of my e-mails talked about Sherman and Associates and we're doing quite a bit of work with them and the neighborhood I live in East Phillips and I've found them very amenable to neighborhood needs. One of the e-mails pointed out a response from Sherman regarding the Cub Foods site on Central and commenting on the fact that they really said one of the goals of their organization is to work with neighborhoods, and work on the matters of principle and practicality, and I'm feeling like a wall has happened on this River Run situation and from what the majority of my communications are is that now the communication seems to have broken down here somehow and Sherman isn't necessarily working on being as amenable to the neighborhood as maybe they were on the Cub Foods side or other projects that they've worked on. So I guess one thing I'd want to say is I'd like to ask Sherman Associates to try to go back to the neighborhood and, I know none of us are easy to work with, but it is part of your ethic and I know that for your company and I just think that's really necessary. But, I am here on the Planning Commission from the Minneapolis Park Board. I am a Minneapolis Park Board representative. I have met with staff and gone over this situation and I need to say that as far as the Park Board, they have met the requirements that we have asked for. We asked for the building to be turned or the parking taken off the riverside. Originally the parking was on the river side on the first site plans and so it is our understanding that the plans now call for underground and parking on the north side of the building. They have agreed to work with us on landscaping and their landscaping agreements include that they will landscape along the railroad line and that they intend to build a wetland with a water pond in order to accommodate the storm water runoff. Regarding the heights: the height of the building, we in this case are silent on this issue because the zoning is determined by the shoreline ordinance. So then we look at the developments that have happened along the river and the fact that we actually supported the Grain Belt project which is a 7-story building and was going to be much higher density than is being proposed on this project. The developer has also agreed to setbacks that will allow for bike trails and they have agreed to a setoff for the park land and the acquisitions needed for and according to the Upper Falls River plan. They agree with us on the fact that we believe it's very important to have eyes on the parks and eyes on the river, so with their changing of the way the building will be facing and taking the parking away, we believe they will meet that goal and our needs on that level. We're not here and I am not here to address the neighborhood concerns about who's the developer, and what are they doing or not doing, but as a Park Board Commissioner, and I will have to be casting my vote on the fact that we do believe they have met our requirements of what's needed for development. Thank you.

Commissioner LaShomb: This is a tough one. My biggest regret at the Planning Commission is that I have spent 6 months reading the Upper River plan because it's the dullest document I've ever read, but it's an important document. We've built a lot of housing on the Upper Mississippi River already, and most of it is housing that my whole family couldn't get together and pay for, and so here we have a project that apparently is really more affordable, I think we ought to have some affordable housing on the Mississippi River. It shouldn't all be housing that starts at \$450 to \$500,000 and that goes up 39 floors. My kind of reaction is that I'm not particularly worried about the kinds of individuals who are going to be living in these buildings, gunshots, well, I live in South Minneapolis and we have gunshots too. 45% rental in the neighborhood, I heard someone, I heard 45% for this

neighborhood and then I believe it was 70% statewide? Oh, that was ownership of 70% statewide. That doesn't surprise me, but I wonder if ownership in Minneapolis as a whole is anywhere near 70%. I just think this developer has made an effort to try to work with the community, that it's a project that does seem to make sense to me. I'm not quite sure what else the property would be used for...if it's not used for this, I would certainly not want it to be used to build more \$400 and \$500,000 townhouses, because I think frankly we're getting a reputation in Minneapolis for only building housing for only people who have \$400 and \$500, 000 to make the down payment and I'm getting a little disturbed by that impression that you can't live along the river and you can't live in downtown unless you've got tons of cash. So that's why I want to get this on the table, and if I go down on this one, I go down.

President Martin: The motion before us is to approve the rezoning.

Commissioner Schiff: I'll speak to all the items at once to get things going here. I am going to disagree with the staff report and I don't identify with a lot of the neighborhoods that actually, so that's why I'm going to explain my vote because I don't think the fact that this is rental versus ownership is the issue before us. The City, in order to be vibrant, needs a 52 to 55% rental rate overall, citywide and in this neighborhood, that would be about the ballpark that this would help us achieve, so I don't think that this as rental, in and of itself, means that this is a bad project. However, the comments by the neighborhood about the design I definitely identify with and the staff report, I just want to highlight, the Minneapolis Plan, where we're checking for consistency, talks about where we build major housing projects and it talks about major housing sites, growth centers, and close to commercial corridors. This isn't a commercial corridor, it's not a major housing site in the comp plan and I don't think this fits the ideas of where we want to put density in the City of Minneapolis. There is a statement in the comp plan that talks about the Upper River being a good place for major housing sites, however, I think that's a little vague to simply say well, we're going to put high-rises, or housing of whatever gets proposed by the market up and down the river. I just think that's a little vague and it's not enough for me to go with. This project would be welcomed on Lake Street, it would be welcomed on Broadway, it would be welcomed on Central Avenue, it would be welcomed on Franklin. This is the kind of project we want to see along our commercial corridors, but it's not the kind of density that I think we should be placing outside of our commercial corridors. I think that does get us into trouble with traffic and transit and congestion and all those other things. So I won't be supporting because I think it's too much density, it's not in the right space, but if this was proposed along a commercial corridor, I'd say this is exactly the kind of development we're looking for.

President Martin: The motion is to approve, all those in favor please signify by saying aye.

The motion carried 5-1.

Commissioner LaShomb: I move the site plan staff recommendation (Hohmann seconded).

Commissioner Hohmann: I have a couple things I'd like to just throw out there on the table, this is as good a time as any. I know the City is trying to get caught up on affordable housing construction that is due under the Hollman settlement and this is a good mix of affordable and market rate and it accommodates very low income households which is something we do not see very often. I think someone was here from CPED-MCDA. I had a question about what is the median metro income?

Jerry LePage: I believe that the median is around \$76,000 for a family of four in the metro region.

Commissioner Hohmann: What is it for the City?

Jerry LePage: I'm not sure what that is.

President Martin: But correct me if I am wrong Mr. LePage, I think when most of these things are calculated, it's as a percentage of metro median.

Jerry LePage: That is correct.

Commissioner Hohmann: The point I wanted to make is I think I'm in the ballpark with the \$35,000 number and a number of these units, over a dozen, 18 it looks like, are targeting to people at the 30% level. It's hard for me to imagine trying to find housing at that income level and when I look at these units, I think it's pretty attractive for that clientele as opposed to what else they are probably looking at in the market. Another thing I like about the project is it diversifies this housing geographically. A lot of what I see in terms of low income housing going in on the low end

of affordable housing seems to be concentrated in some very limited geographic areas, so I appreciate seeing a little bit of diversification geographically. At the same time, 58% of these units are market rate. There were some questions about the criticizing of the fact that these developments shouldn't require city subsidies, and again I need to clarify something with you Jerry, but I think I read in here these aren't general obligation type bonds, these are revenue bonds that would be repaid through project revenues and am I right assuming then that City taxpayers are not liable if the project was to go belly up?

Jerry LePage: That is correct, these are revenue bonds and not general obligation bonds.

Commissioner Hohmann: And TIF is referenced at about a million dollars, which would be about 10% of the project.

Jerry LePage: About 1.2% we're estimating would be the TIF.

Commissioner Hohmann: Anyway, I wanted to address the financing and I wanted to address the affordable housing issues. It was also mentioned that it wasn't consistent with the Upper Mississippi plan, but I've looked through the Upper Mississippi plan and in terms of the maps and types of projects in this vision, I think the project is consistent. In terms of financing, there are options in the last few pages of this Upper Mississippi plan, some numbers are thrown out in terms of the numbers of hundreds of millions of dollars that are going to be required to develop this vision and it's referenced that it's a combination of public and private money. It's referenced that TIF project funds will be used on occasion. It's referenced that you're going to have to go after money wherever you can get it basically. Given all that, I support the site plan.

Commissioner Young: Madame Chair, I have one of my myriad of e-mails here which says that the median income used for housing purposes in Hennepin County in Minneapolis is \$75,300, so then it depends on which percentage we're using of that number.

President Martin: All those in favor of the site plan as recommended, please signify by saying 'aye'.

The motion carried 5-1.

[end tape]

Commissioner Young: ...This is where I do agree with Council Member Schiff that it seems a really excessive amount of density in that particular area of the City on Marshall so I will be voting against this particular project because I want to avoid density.

Commissioner MacKenzie: I have a question to clarify. This unit count, we get to 101 units, is this related to the building height? So, if we change the building height, can we get that many units?

Staff Jim Voll: I don't know if I can answer that question. It probably would reduce the number of units, but it doesn't mean there wouldn't be an alternative way to structure the building or lower it, excavate further. I don't know, maybe you want to have the applicant answer that question. But if you were to lower the height of the building to make it a true half story, they would be sort of weird units, because they would be under a gable roof.

Commissioner MacKenzie: I was thinking about dropping the building lower down, so they could get their unit count.

President Martin: You have to be careful there because the limestone is really close to the surface.

Commissioner Young: And you have to remember the parking underneath.

Commissioner MacKenzie: Jim, just one more point of clarification, so you said you said this building falls within the shoreline or the river overlay district actually is within the 35 foot limit even though it exceeds 2 ½ stories, is that correct?

Staff Jim Voll: Yes, as measured from the grade on Marshall Street, but if you were to measure from the grade on any individual point, some parts go up as high as 40 feet, but measured as the overall grade, the way our zoning code measures height, it would not exceed 35 feet. So it's a little misleading to say none of it exceeds 35 feet.

Commissioner LaShomb: Assuming that the upper Mississippi River starts at these locks, we have a lot of density on the upper Mississippi River already, Riverplace and the Falls are pretty dense...

President Martin: That's the Central Riverfront.

Commissioner LaShomb: To me it's the upper river, you can cut it any way you want, there's a great deal of density going on over at the Riverplace area, I don't see why all of a sudden we think that density is going to be a big issue another half mile up the river. So, I think it's reasonable to approve this.

President Martin: The motion before us is to approve the CUP for 101 units at this property. All those in favor, please signify by saying aye.

The motion carried 4-2.

Commissioner LaShomb: I move item C (the item was seconded).

Commissioner MacKenzie: I would make a proposal that maybe we could add something to the recommended motion on the height on item C. Currently the language says to approve the increased height of the building, subject to approval of rezoning, conditional use permit and site plan review. I'm wondering, I know that you asked about this site plan review, but about the retention of open space on the front of the building as a trade-off for the building height allowance, so is it possible to structure this so that we approve this increase in the height of the building to 3 stories subject to retention of open space on the river front side of the development? Yes? So moved.

President Martin: So the motion is to approve item C with the condition added by Commissioner MacKenzie.

The motion carried 5-1.

Minneapolis City Planning Department Report

Rezoning, Conditional Use Permits, and Site Plan Review (BZZ-1270)

Date: October 7, 2003

Date Application Deemed Complete: June 25, 2003

Date 60 day Decision Period Stopped: July 21, 2003

Date 60 Day Clock Restarted: August 18, 2003

End of 60 Day Decision Period: September 20, 2003

Date Extension Letter Sent: September 16, 2003

End of 120 Day Decision Period: November 19, 2003

Applicant: Sherman Associates

Address Of Property: 1424-28 and 1448 Marshall Street NE

Contact Person And Phone: Alison Brueggemann – Sherman Associates 612-332-3000

Planning Staff And Phone: Jim Voll 612-673-3887

Ward: 3 Neighborhood Organization: Sheridan Neighborhood Association

Existing Zoning: I1 Light Industrial District

Overlay Districts: MR Mississippi River Critical Area Overlay District and SH Shoreland Overlay District.

Proposed Overlay District: Industrial Living Overlay District

Proposed Use: A three and four-story 101-unit residential building.

Concurrent Review: A rezoning to add the Industrial Living Overlay District (ILOD) to the I1 District; conditional use permit to allow 101 residential units; conditional use permit to allow the building to exceed the maximum allowable height of 2.5 stories or 35 feet, whichever is less, to 3 stories in the Mississippi River Critical Area Overlay District; and site plan review.

Appropriate Section(s) of the Zoning Code: Chapter 525, Article VI, Zoning Amendments; Chapter 525, Article VII Conditional Use Permits; Chapter 530 Site Plan Review; and Chapter 551 Overlay Districts.

Background: This item was continued from the July 21, 2003 and September 22, 2003 meetings of the City Planning Commission to allow the developer to meet with the neighborhood group. Sherman Associates originally proposed to build a four-story, 119 unit residential building at 1424-28 and 1448 Marshall Street NE. The design has been modified to reduce the

height to three stories for that part of the building that is within 300 feet of the Mississippi River. The number of units has been reduced from 119 to 101 units. Various other changes to the design are listed in an attachment to this report from the developer. The development will have an affordability component and is seeking housing revenue bonds. Please see the attached MCDA/CPED staff report for details.

Staff has received extensive comments from the DNR and National Park Service regarding the Mississippi River Overlay District. In general, they request that the building meet the 35 foot height requirement and request appropriate vegetation on the site (please see attached letters). The Above the Falls Citizens Advisory Committee (AFCAC) has recommended denial of the project (please see attached letter). The Sheridan Neighborhood Organization (SNO) voted 10 to 10 on the project at its meeting of September 22, 2003, but staff has received a letter opposing the project that is attached to the report. The Bottineau Neighborhood voted to oppose the project at its meeting of September 25, 2003 (please see attached letter). Park Board staff has provided a letter stating that the design is acceptable that is attached to the report.

REZONING (to add the Industrial Living Overlay District to the I1 district)

Findings As Required By The Minneapolis Zoning Code:

1. Whether the amendment is consistent with the applicable policies of the comprehensive plan.

The Minneapolis Plan does not place a specific designation on this area, but does indicate that the upper river area as appropriate for major housing sites. The plan states the following about major housing sites:

“To prepare for the future and successfully add to the city's "quilt" of vital, livable neighborhoods, new development sites must be secured. Identifying project sites appropriate for redevelopment will focus on the surrounding context and on the market appeal of certain housing types. Although Minneapolis is one of the most developed areas in the metropolitan region, certain sites stand out as excellent candidates for new housing construction. These areas require further study to determine feasibility and answer planning concerns. Certain guiding principles, such as locating these sites close to amenities of all kinds and reserving prime sites for higher density structures, will direct future development. The city's approach in working with developers and other public agencies seeking to build on Major Housing Sites, in Growth Centers, or close to Commercial Corridors will be to focus attention on the surrounding environment, in terms of traffic impacts, connections to the transit system, and connections to amenities such as natural (ecological) features, pedestrian-friendly, walkable environments, connections to public facilities (e.g. schools, libraries and parks.) Potential housing sites are designated in the plan to draw attention, provoke discussion and encourage all interested parties to plan for the future of Minneapolis' residential neighborhoods. (See Map 1.4.5)”

The plan has the following policy and implementation steps for major housing sites:

4.17 Minneapolis will promote housing development that supports a variety of housing types at designated Major Housing Sites throughout the city.

Implementation Steps

Concentrate new housing developments in close proximity to amenities or in locations where value will be sustained over time.

Develop a citywide Housing Strategy for placing medium (10-30 units per acre) to high density (30+units per acre) new housing on major transportation and transit corridors and near commercial revitalization projects or neighborhood amenities (e.g. sites such as Growth Centers, Major Housing Sites, Commercial Corridors)

Protect Major Housing Sites for medium (10-30 units per acre) to high (30+units per acre) density residential development from development proposals which exclude housing through land use controls, redevelopment plans and other available means.

Designate Major Housing Sites as listed with the adoption of this Plan.

Promote the development of new housing that is compatible with existing development in the area, as well as to existing historic or older housing stock where appropriate.

Provide the flexibility in the City's ordinances to accommodate new housing development tailored to meet a range of different housing submarkets.

The development has an affordability component. It will have a mix of affordable and market rate units. *The Minneapolis Plan* states the following about affordable housing and housing choice, including the relevant policies and implementation steps:

“In order to expand housing choices for residents who face economic constraints, it is essential to increase the supply of affordable housing. This is particularly important not only for the very poor. Working families at a range of income levels benefit from housing that does not consume too great a share of the household income, that leaves resources available to attend to the many other important human needs. Affordable housing not only benefits its occupants. It benefits the entire city and region by supporting the diverse workforce required by a vital economy. Affordable housing development can bring reinvestment into neighborhoods that face economic challenges. Strong neighborhoods benefit from the addition of cultural and economic richness. Housing located near transit lines or job centers provides savings that goes beyond what is evident from the level of rent or mortgage payments.”

4.10 Minneapolis will increase its housing that is affordable to low and moderate income households.

Implementation Steps

Provide regulatory incentives for affordable housing development.

Create a single strategic plan for housing that establishes priorities, sets goals, launches initiatives, refines programs, and is the focus of regular evaluation.

Develop new funding streams for affordable housing.

Promote increased development of housing for very low-income households earning 30% or less of metropolitan median income.

Improve the efficiency of City investment in the creation and preservation of affordable housing.

Develop a close dialog with community participants about appropriate locations and design standards for new affordable housing.

Foster partnerships with housing developers, financial institutions, faith communities and others to extend the City's capacity to create affordable housing.

Partner with other municipalities, the Metropolitan Council and state government to develop a regional strategy for increasing the supply of affordable housing, supported by a more predictable, long-term revenue stream.

Support mechanisms such as community land trusts and housing cooperatives to create long term affordable housing.

Improve access of low-income families to sources of housing financing.

“The diversity of Minneapolis housing reflects the diversity of its citizens. Minneapolis citizens are from different household sizes and have different means. Age, preferences in housing style, and individual needs also vary. The needs of many citizens are met in the existing housing stock. Housing in Minneapolis neighborhoods ranges from primarily owner-occupied single family homes, to areas where high-density residential development is the norm. Two-story homes, bungalows and Victorians dominate in different parts of town. Cooperatives, condominiums, and apartment buildings house many citizens. Newer developments are adding to this diversity with townhomes, row housing, and planned residential developments that use common space in creative ways. Some of these are uniquely viable in Minneapolis because of its unique character as the center of the region.

While condition and management of housing requires ongoing attention in many parts of the city, the diversity of housing in and between neighborhoods is to be embraced and protected. The city’s amenities and its identity as the center of the region will continue to attract people with a diversity of needs and interests – from the working class, the creative class and the professional class. Choice in housing supports the vitality represented by this wide-ranging population.

For disabled and elderly residents and populations that face economic challenges, choice in housing means supporting the provision of options that address their distinct and varied needs. This includes housing designed for handicapped accessibility and continuum of care, and various kinds of supportive housing.”

4.11 Minneapolis will improve the availability of housing options for its residents.

Implementation Steps

Increase the variety of housing styles and affordability levels available to prospective buyers and renters.

Provide and maintain moderate and high-density residential areas.

Provide and maintain areas that are predominantly developed with single and two family structures.

Promote the development of housing suitable for people and households in all life stages, and that can be adapted to accommodate changing housing needs over time.

Promote accessible housing designs to support persons with disabilities.

Promote mixed-income housing development that offers a range of dwelling unit sizes and levels of affordability.

Diversify the location distribution of affordable housing in order to allay the historic patterns of concentration of poverty that characterizes some neighborhoods.

Implement city policies related to the provision of housing for homeless individuals and families.

Support the development of housing with supportive services that help households gain stability in areas such as employment, housing retention, parenting, mental health and substance challenges.

Encourage the rehabilitation and sensitive reuse of older or historic buildings for housing including affordable housing units.

The rezoning of this parcel to add the Industrial Living Overlay District is in conformance with the above noted policies of the comprehensive plan.

2. Whether the amendment is in the public interest and is not solely for the interest of a single property owner.

The rezoning will allow the applicant to redevelop the property and this is in their interest.

However, it will also redevelop an industrial property into a residential development with a range of affordability. This is in the interest of the public.

3. Whether the existing uses of property and the zoning classification of property within the general area of the property in question are compatible with the proposed zoning classification, where the amendment is to change the zoning classification of particular property.

There is industrial zoning to the north and south of the site. There are industrial and residential uses to the north and a commercial use to the south of the site. There are multi-family residential zoning and uses to the east.

4. Whether there are reasonable uses of the property in question permitted under the existing zoning classification, where the amendment is to change the zoning classification of particular property.

The I1 District allows a range of light industrial and office uses.

5. Whether there has been a change in the character or trend of development in the general area of the property in question, which has taken place since such property was placed in its present zoning classification, where the amendment is to change the zoning classification of particular property.

In general, the area is undergoing a redevelopment. To the south the Grain Belt brewery has been converted to offices and a public library. New housing is proposed for the area around the brewery as well. This pattern has emerged since the area was first zoned industrial.

CONDITIONAL USE PERMIT (to allow 101 units)

Findings as required by the Minneapolis Zoning Code:

The Minneapolis City Planning Department has analyzed the application and from the findings above concludes that the establishment, maintenance, or operation of the proposed conditional use:

1. Will not be detrimental to or endanger the public health, safety, comfort or general welfare.

Any residential development of five units or more requires a conditional use permit. The proposed building meets the required setbacks, lot size, and floor area ratio requirements. The building and site are required to meet the standards of the site plan review chapter and are required to have an erosion control and stormwater management plan as a part of the final site plan approval. If the development meets all of these standards and with appropriate conditions of approval the proposed development should not be detrimental to the public health, safety, or welfare.

2. Will not be injurious to the use and enjoyment of other property in the vicinity and will not impede the normal or orderly development and improvement of surrounding property for uses permitted in the district.

The proposed development meets all of the requirements of the zoning code, with the exception of a small increase in height in the Mississippi River and Shoreland Overlay District. The buildings have been setback to accommodate future widening of Marshall Street NE and provisions have been made to provide access to riverfront trails from and through the site. The site is near other multi-family housing and is north of the redeveloping Grain Belt complex. With proper conditions of approval it should not be detrimental to surrounding properties nor impede orderly development in the area.

3. Adequate utilities, access roads, drainage, necessary facilities or other measures, have been or will be provided.

Existing roads and utilities are adequate. An erosion control and a stormwater management plan are required as a part of the final site plan approval before building permits may be issued.

4. Adequate measures have been or will be provided to minimize traffic congestion in the public streets.

One hundred and one parking spaces are required for the building and 101 are provided in an underground parking garage and an additional 20 are provided in a surface lot. In general, it is the policy (the zoning code only requires one space per dwelling unit) of the city to require one space per dwelling unit for multifamily buildings. If it is determined that more parking is necessary it may be possible to provide more surface parking, but this would result in a loss of greenspace.

5. Is consistent with the applicable policies of the comprehensive plan.

See finding number 1 under the rezoning section of this staff report.

6. And, does in all other respects conform to the applicable regulations of the district in which it is located upon approval of the rezoning, conditional use permit, and site plan review.

CONDITIONAL USE PERMIT (to increase the height of the building)

The I1 Industrial district limits maximum height to 4 stories or 56 feet, whichever is less. However, the site is in the Mississippi River Critical Area Overlay District. In the overlay district the maximum height of all structures within 300 feet of the Mississippi River is limited to 2.5 stories or 35 feet, whichever is less. The part of the building within 300 feet of the River is 35 feet, or less, as measured from the grade at the front of the building, but since it is three stories a conditional use permit is required to allow a third story rather than a half story, even if it is 35 feet.

Findings as required by the Minneapolis Zoning Code:

The Minneapolis City Planning Department has analyzed the application and from the findings above concludes that the establishment, maintenance, or operation of the proposed conditional use:

1. Will not be detrimental to or endanger the public health, safety, comfort or general

welfare.

Any residential development of five units or more requires a conditional use permit. The proposed building meets the required setbacks, lot size, and floor area ratio requirements. The building and site are required to meet the standards of the site plan review chapter and are required to have an erosion control and stormwater management plan as a part of the final site plan approval. If the development meets all of these standards and with appropriate conditions of approval the proposed development, even with a small increase in height, should not be detrimental to the public health, safety, or welfare.

2. Will not be injurious to the use and enjoyment of other property in the vicinity and will not impede the normal or orderly development and improvement of surrounding property for uses permitted in the district.

The proposed development meets all of the requirements of the zoning code, with the exception of a small increase in height in the Mississippi River and Shoreland Overlay District. The buildings have been setback to accommodate future widening of Marshall Street NE and provisions have been made to provide access to riverfront trails from and through the site. The site is near other multi-family housing and is north of the redeveloping Grain Belt complex. With proper conditions of approval it should not be detrimental to surrounding properties nor impede orderly development in the area.

3. Adequate utilities, access roads, drainage, necessary facilities or other measures, have been or will be provided.

Existing roads and utilities are adequate. An erosion control and a stormwater management plan are required as a part of the final site plan approval before building permits may be issued. The increase in height should not have an impact on these items.

4. Adequate measures have been or will be provided to minimize traffic congestion in the public streets.

One hundred and one parking spaces are required for the building and 101 are provided in an underground parking garage and an additional 20 are provided in a surface lot. In general, it is the policy (the zoning code only requires one space per dwelling unit) of the city to require one space per dwelling unit for multifamily buildings. If it is determined that more parking is necessary it may be possible to provide more surface parking, but this would result in a loss of greenspace. The increase in height should have little effect on congestion in the public streets.

5. Is consistent with the applicable policies of the comprehensive plan.

See finding number 1 under the rezoning section of this staff report.

6. And, does in all other respects conform to the applicable regulations of the district in which it is located upon approval of the rezoning, conditional use permit, and site plan review.

In addition to the conditional use standards contained in Chapter 525 and this article noted above, the city planning commission shall consider, but not be limited to, the following factors when determining maximum height:

(1) Access to light and air of surrounding properties.

The increase in height should not prevent access to light and air for surrounding properties significantly more than if the height were limited to 2.5 stories.

(2) Shadowing of residential properties or significant public spaces.

An increase from 2.5 stories to three stories should not significantly increase the amount of area on adjacent properties that is shadowed as the building is separated from the north property by a parking lot and the future river trail by a large rear yard.

(3) The scale and character of surrounding uses.

To the north of the building are a single-family home and industrial buildings and to the south is a commercial building. Across Marshall Street to the east there are 2.5 story single-family homes and a three-story apartment building at a higher grade. The front of the building outside the 300-foot distance from the river is allowed to be four-stories high. The increase in height from 2.5 stories to three stories should not be out of character with the surrounding area.

(4) Preservation of views of landmark buildings, significant open spaces or water bodies.

Since the front part of the building can be four stories, the increase in height of the rear portion should not block views of the river for properties to the east of the site or of properties to the north of the Grain Belt brewery.

SITE PLAN REVIEW

Required Findings for Major Site Plan Review

A. The site plan conforms to all applicable standards of Chapter 530, Site Plan Review. (See Section A Below for Evaluation.)

B. The site plan conforms to all applicable regulations of the zoning ordinance and is consistent with applicable policies of the comprehensive plan. (See Section B Below for Evaluation.)

C. The site plan is consistent with applicable development plans or development objectives adopted by the city council. (See Section C Below for Evaluation.)

Section A: Conformance with Chapter 530 of Zoning Code

BUILDING PLACEMENT AND FAÇADE:

- Placement of the building shall reinforce the street wall, maximize natural surveillance and visibility, and facilitate pedestrian access and circulation.
- First floor of the building shall be located not more than eight (8) feet from the front lot line (except in C3S District or where a greater yard is required by the zoning ordinance). If located on corner lot, the building wall abutting each street shall be subject to this requirement.
- The area between the building and the lot line shall include amenities.
- The building shall be oriented so that at least one (1) principal entrance faces the public street.
- Except in the C3S District, on-site accessory parking facilities shall be located to the rear or interior of the site, within the principal building served, or entirely below grade.
- For new construction, the building façade shall provide architectural detail and shall contain windows at the ground level or first floor.
- In larger buildings, architectural elements shall be emphasized.
- The exterior materials and appearance of the rear and side walls of any building shall be similar to and compatible with the front of the building.
- The use of plain face concrete block as an exterior material shall be prohibited where visible from a public street or a residence or office residence district.
- Entrances and windows:
 - Residential uses shall be subject to section 530.110 (b) (1).
 - Nonresidential uses shall be subject to section 530.110 (b) (2).
- Parking Garages: The exterior design shall ensure that sloped floors do not dominate the appearance of the façade and that vehicles are screened from view. At least thirty (30) percent of the first floor façade that faces a public street or sidewalk shall be occupied by commercial uses, or shall be designed with architectural detail or windows, including display windows, that create visual interest.

There are plans to widen Marshall Street NE in this area to an 80 foot right-of-way to allow a combination of medians, left turn lanes, and a bike lane. The applicant has met with County officials and has moved the building back far enough to meet the future right-of-way and still provide a 15 foot setback from the future right-of-way line. This sets the building back 30 to 50 feet from the existing Marshall Street. Staff recommends alternative compliance to allow this, so as to facilitate the future Marshall Street plans. Before final plans are approved, planning staff, County staff, and the applicant should meet to make sure the building is as close to the right-of-way as it can be, while still meeting the street plans and providing a setback. The area between the building and the public sidewalk will be landscaped. The principal entrance faces Marshall Street NE. The façade of the building provides architectural detail and contains 20 percent windows on the first floor. The exterior materials are compatible on all sides of the building. The elevations show the use of stucco. EFIS shall not be used in place of stucco on the final plans.

ACCESS AND CIRCULATION:

- Clear and well-lighted walkways of at least four (4) feet in width shall connect building entrances to the adjacent public sidewalk and to any parking facilities located on the site.
- Transit shelters shall be well lighted, weather protected and shall be placed in locations that promote security.
- Vehicular access and circulation shall be designed to minimize conflicts with pedestrian traffic and surrounding residential uses.
- Traffic shall be directed to minimize impact upon residential properties and shall be subject to section 530.140 (b).
- Areas for snow storage shall be provided unless an acceptable snow removal plan is provided.

- Site plans shall minimize the use of impervious surfaces.

The principal entrances and parking area are connected to the public sidewalk by a five-foot wide walkway. Public Works and the Fire Department have reviewed the access and circulation and find them acceptable. There is sufficient room on site for snow storage. Impervious area has been minimized. Permeable paving has been utilized for the maneuvering area required by the fire department.

LANDSCAPING AND SCREENING:

- The composition and location of landscaped areas shall complement the scale of the development and its surroundings.
 - Not less than twenty (20) percent of the site not occupied by buildings shall be landscaped as specified in section 530.150 (a).
- Where a landscaped yard is required, such requirement shall be landscaped as specified in section 530.150 (b).
- Required screening shall be six (6) feet in height, unless otherwise specified, except in required front yards where such screening shall be three (3) feet in height.
- Required screening shall be at least ninety-five (95) percent opaque throughout the year. Screening shall be satisfied by one or a combination of the following:
 - A decorative fence.
 - A masonry wall.
 - A hedge.
- Parking and loading facilities located along a public street, public sidewalk or public pathway shall comply with section 530.160 (b).
- Parking and loading facilities abutting a residence or office residence district or abutting a permitted or conditional residential use shall comply with section 530.160 (c).
- The corners of parking lots shall be landscaped as specified for a required landscaped yard. Such spaces may include architectural features such as benches, kiosks, or bicycle parking.
- Parking lots containing more than two hundred (200) parking spaces: an additional landscaped area not less than one hundred-fifty (150) square feet shall be provided for each twenty-five (25) parking spaces or fraction thereof, and shall be landscaped as specified for a required landscaped yard.
- All parking lots and driveways shall be defined by a six (6) inch by six (6) inch continuous concrete curb positioned two (2) feet from the boundary of the parking lot, except where the parking lot perimeter is designed to provide on-site retention and filtration of stormwater. In such case the use of wheel stops or discontinuous curbing is permissible. The two (2) feet between the face of the curb and any parking lot boundary shall not be landscaped with plant material, but instead shall be covered with mulch or rock, or be paved.
- All other areas not governed by sections 530.150, 530.160 and 530.170 and not occupied by buildings, parking and loading facilities or driveways, shall be covered with turf grass, native grasses or other perennial flowering plants, vines, mulch, shrubs or trees.
- Installation and maintenance of all landscape materials shall comply with the standards outlined in section 530.220.
- The city planning commission may approve the substitution or reduction of landscaped plant materials, landscaped area or other landscaping or screening standards, subject to section 530.60, as provided in section 530.230.

Approximately 60 percent of the site is landscaped area. The required number of trees and shrubs are provided. The required screening along the north property line for the residential use has not been provided. This shall be added to the final site plan. The City's landscaping consultant has reviewed the plan and has found it acceptable.

ADDITIONAL STANDARDS:

- **Lighting shall comply with the requirements of Chapter 535 and Chapter 541. A lighting diagram may be required.**
- **Parking and loading facilities and all other areas upon which vehicles may be located shall be screened to avoid headlights shining onto residential properties.**
- **Site plans shall minimize the blocking of views of important elements of the city.**
- **Buildings shall be located and arranged to minimize shadowing on public spaces and adjacent properties.**
- **Buildings shall be located and arranged to minimize the generation of wind currents at ground level.**
- **Site plans shall include crime prevention design elements as specified in section 530.260.**
- **Site plans shall include the rehabilitation and integration of locally designated historic structures or structures that have been determined to be eligible to be locally designated. Where rehabilitation is not feasible, the development shall include the reuse of significant features of historic buildings.**

The lighting will comply with Chapters 535 and 541 including the following standards:

535.590. Lighting. (a) In general. No use or structure shall be operated or occupied as to create light or glare in such an amount or to such a degree or intensity as to constitute a hazardous condition, or as to unreasonably interfere with the use and enjoyment of property by any person of normal sensitivities, or otherwise as to create a public nuisance. (b) Specific standards. All uses shall comply with the following standards except as otherwise provided in this section:

- (1) Lighting fixtures shall be effectively shielded and arranged so as not to shine directly on any residential property. Lighting fixtures not of a cutoff type shall not exceed two thousand (2,000) lumens (equivalent to a one hundred fifty (150) watt incandescent bulb).
- (2) No exterior light source located on a nonresidential property shall be visible from any permitted or conditional residential use.
- (3) Lighting shall not create a sensation of brightness that is substantially greater than ambient lighting conditions as to cause annoyance, discomfort or decreased visual performance or visibility from any permitted or conditional residential use.
- (4) Lighting shall not directly or indirectly cause illumination or glare in excess of one-half (1/2) footcandle measured at the closest property line of any permitted or conditional residential use, and five (5) footcandles measured at the street curb line or nonresidential property line nearest the light.
- (5) Lighting shall not create a hazard for vehicular or pedestrian traffic.
- (6) Lighting of building facades or roofs shall be located, aimed and shielded so that light is directed only onto the facade or roof.

The City's CPTED officer has recommended that all plantings follow the 3' – 7' rule to allow visibility into the site and that lighting be provided for security purposes.

Section B: Conformance with All Applicable Zoning Code Provisions and Consistency with the Comprehensive Plan

ZONING CODE:

Hours of Operation: Hours businesses can be open to the public in the I1 District are 6:00 a.m. to 10:00 p.m. Sunday through Thursday and 6:00 a.m. through 11:00 p.m. Friday and Saturday. This is a residential building that does not contain commercial or office uses.

Dumpster screening: Section 535.80. Refuse storage containers shall be enclosed on all four (4) sides by screening compatible with the principal structure not less than two (2) feet higher than the refuse container or shall be otherwise effectively screened from the street, adjacent residential uses located in a residence or office residence district and adjacent permitted or conditional residential uses. The trash enclosures are located inside the building. If trash storage is moved outside of the building then they containers shall be screened per code.

Signage: All new signage is required to meet the requirements of the Zoning Code and permits are required from the Zoning Office. A 4-foot by 10-foot freestanding (monument) sign is proposed. While this size sign is allowed in the industrial district, it would be limited to 32 square feet in the residential districts. Since there is a residential use to the north of the site and there are residential uses across the street, staff recommends that the proposed sign be limited to 32 square feet.

MINNEAPOLIS PLAN: See finding number 1 under the rezoning section of this staff report.

Section C: Conformance with Applicable Development Plans or Objectives Adopted by the City Council

The *Above the Falls Master* plan was adopted by the City Council in June of 2000. The introduction to the plan states that “The Upper River Master Plan presents a bold vision for developing the Mississippi riverfront into a regional park amenity in north and northeast Minneapolis. The need for action is clear: heavy industry on the river continues to pose land-use conflicts, while adjacent neighborhoods struggle to provide a quality of environment that attracts new investment.”

The introduction lists the following general objectives and recommendations:

Master Plan Objectives

- Provide public access to river.
- Create a system of Riverway Streets
- Enhance the ecological function of river corridor.
- Link Upper River to Grand Rounds parkway system.
- Realize the area’s potential for economic development.
- Establish urban design guidelines.

Summary of Recommendations

Parks, Urban Design, and Environmental Restoration

- Create a continuous and integrated riverfront parks and open space system long the Upper River.
- Construct recreational trails along both banks of the river.
- Provide space in parks for riverbank, landscape, and habitat restoration.
- Develop waterfront features in new parks, and nodes of interest at regular intervals along trails.
- Preserve hospitality uses within parks corridor.
- Establish a Riverway Street System, with common streetscape elements and signage that identify streets leading to and paralleling the riverfront.
- Designate no-build zones to hold view corridors to the river and downtown skyline.
- Construct a system of area-wide water quality ponds that meet the highest standards for stormwater retention and filtration.
- Extend West River Parkway to North Mississippi Regional Park.
- Convert the BN Bridge to a pedestrian and bicycle facility linking both banks.
- Reconstruct Marshall Street as a boulevard, with new landscaping and bicycle lanes.

Land Use and Implementation

- Establish an Upper River Development Corporation as a non-profit entity with the sole purpose of implementing the Upper River Master Plan.
- Rezone property in accordance with the Upper River Land Use Plan.
- Close the Upper Harbor Terminal.
- Phase out heavy-industrial uses in Upper River corridor.
- Transition land use in corridor to a mix of parks, residential, light-industrial, and commercial uses.
- Develop new riverfront residential and mixed-use communities on west bank.

The plan seeks the highest and best use adjacent to riverfront parks, including the development of new residential communities.

The plan does not have a specific recommendation for an exact type of development on this site. The land use plan on page 59 shows this area as commercial with a park trail along the river. The Urban Design chapter shows a larger commercial/office development in a drawing on page 91 and indicates that this area could be a small development including residential units, studios, and offices that would support the Grain Belt complex. The recommended zoning map on page 113 designates the future zoning as “specially planned district,” but does not provide the type of guidance as to what types of uses should be developed in this area as it does for the other areas designated for planned unit developments on the west bank. The plan does say (page 60) that “the land use plan assumes that the patterns and densities of residential use on the east bank will remain basically the same, with the exception of removing a small number of single-family detached and apartment units on the west side of Marshall Street...once the continuous park is created to the west of Marshall, the market and private owners may be encouraged to redevelop some properties

on the east side.”

So while there is not a specific recommendation for this parcel there is indication that a higher density residential could be appropriate in this area, especially when viewed in concert with the policies of *The Minneapolis Plan*. Other types of development, such as a mixed use residential and commercial planned unit development, could also be appropriate for the site.

Alternative Compliance. The Planning Commission may approve alternatives to any major site plan review requirement upon finding any of the following:

- The alternative meets the intent of the site plan chapter and the site plan includes amenities or improvements that address any adverse effects of the alternative. Site amenities may include but are not limited to additional open space, additional landscaping and screening, transit facilities, bicycle facilities, preservation of natural resources, restoration of previously damaged natural environment, rehabilitation of existing structures that have been locally designated or have been determined to be eligible to be locally designated as historic structures, and design which is similar in form, scale and materials to existing structures on the site and to surrounding development.
- Strict adherence to the requirements is impractical because of site location or conditions and the proposed alternative meets the intent of this chapter.
- The proposed alternative is consistent with applicable development plans or development objectives adopted by the city council and meets the intent of this chapter.

Alternative compliance is necessary to allow the building to be setback further than eight feet from the property line or setback line in order to facilitate a future widening of Marshall Street.

RECOMMENDATION OF THE CITY PLANNING DEPARTMENT:

REZONING (to add the Industrial Living Overlay District)

The City Planning Department recommends that the City Planning Commission and City Council adopt the above findings and **approve** the rezoning application to add the Industrial Living Overlay District to property located at 1424-28 and 1448 Marshall Street NE.

CONDITIONAL USE PERMIT (for 101 units)

The City Planning Department recommends that the City Planning Commission adopt the above findings and **approve** the conditional use permit application for 101 units for property located at 1424-28 and 1448 Marshall Street NE subject to the approval of the rezoning, conditional use permit for height, and site plan review.

CONDITIONAL USE PERMIT (to increase the height of the building to three stories)

The City Planning Department recommends that the City Planning Commission adopt the above findings and **approve** the conditional use permit application to increase the height of the building from the maximum allowable height of 2.5 stories to 3 stories for property located at 1424-28 and 1448 Marshall Street NE subject to the approval of the rezoning, conditional use permit for units, and site plan review.

SITE PLAN REVIEW

The City Planning Department recommends that the City Planning Commission adopt the above findings and **approve** the site plan review application for property located at 1424-28 and 1448 Marshall Street NE subject to the following conditions:

- 1) Approval of the rezoning and conditional use permits.
- 2) Staff review and approve the site plan, lighting plan, landscaping plan, and elevations before building permits may be issued. The location of all exterior mechanical equipment and screening of this equipment shall be shown on the plan. All site improvements shall be completed by September 30, 2004 (unless extended by the Zoning Administrator) or permits may be revoked for noncompliance.
- 3) If the estimated site improvement costs (landscaping) exceed \$2,000, the applicant shall submit a performance bond in the amount of 125% of the estimated site improvement costs before building permits may be issued.
- 4) Compliance with the standards of the MR Mississippi River Critical Area Overlay and SH Shorelands Overlay Districts.
- 5) The applicant shall work with Park Board staff and Planning staff to ensure the plant types in the landscaping plan meet the standards of the applicable overlay districts.
- 6) Additional landscape screening shall be provided along the north property line to screen the parking area to the residential use as required by code.
- 7) The monument sign shall be limited to a maximum of 32 square feet.
- 8) Those areas designated as stucco on the elevations shall not be replaced with EFIS at the final site plan stage.
- 9) The applicant will work with staff to make sure the building is as close as possible to the future right-of-way while still allowing room for an adequate setback.